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C O N F I D E N T I A L SECTION 01 OF 02 SINGAPORE 002194

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BM, SN  
SUBJECT: AMBASSADOR'S CHINA-FOCUSED ROUNDTABLE WITH  
ACADEMICS

Classified By: Ambassador Patricia L. Herbold for reasons 1.4 (b) and (d).

11. (C) Summary: The Ambassador joined academics from the East Asian Institute (EAI) in a roundtable discussion of China's relationship with Singapore and ASEAN. EAI researchers noted that a Singapore-China Free Trade Agreement (FTA) would be particularly helpful for Singapore's services sector, but that, for China, a bilateral FTA takes a back seat to conclusion of a China-ASEAN FTA. China's strong economic growth and deft engagement with ASEAN have to some degree mitigated Southeast Asia's concerns about China. EAI Executive Director YANG Dali speculated that the denial of the USS Kitty Hawk's Hong Kong port call in November was due to poor coordination between military and civilian authorities in China. Yang asserted that China is concerned about events in Burma, but remains reluctant to pressure the regime. End Summary.

12. (U) The Ambassador, DCM, E/P Chief and other officers participated in a roundtable discussion at the East Asia Institute (EAI) on November 27. EAI Executive Director YANG Dali was joined by 20 other academics whose research focuses on various aspects of China's economic, military, and political relationships with Southeast Asia.

#### Singapore-China Relations

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13. (C) Singapore's relations with China have improved markedly since the fallout following then-Deputy Prime Minister Lee Hsien Loong's visit to Taiwan in 2004, as evidenced by yearly visits to China by Minister Mentor Lee Kuan Yew, observed Research Director John Wong. Both countries have been discussing a bilateral Free Trade Agreement (FTA) for several years, although China wants to first conclude an FTA with ASEAN. A bilateral FTA would primarily serve to reaffirm strong trade ties, but would also give a boost to Singapore's services sector. Singapore and China already enjoy good economic relations. Two-way trade is growing, and the Singapore Industrial Park in Suzhou is doing much better than when it debuted in the 1990s, Wong said.

## China's Dance with ASEAN

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¶4. (C) Yang Dali noted that recent progress on the ASEAN-Japan FTA had refocused China's attention on its own trade initiatives with the region. China's recent shift in emphasis from bilateral to multilateral FTAs helped China "look good" during the November ASEAN and East Asia summits in Singapore. China wants FTAs with everyone, Wong said. Warming China-Japan relations help facilitate this process. China, spurred by countries like Singapore, is increasingly positive about the East Asia Summit (EAS) forum, which includes the ASEAN countries plus China, Japan, South Korea, India, Australia, and New Zealand, asserted the researchers. (Note: Separately, an EAI researcher said developments in Australia and Japan had provoked renewed debate in China over the relative merits of the ASEAN plus 3 versus the EAS. Many in China continue to believe that China can more easily influence the ASEAN plus 3 and are suspicious of Japan's backing of the EAS. However, others feel increasingly confident that China can advance its interests in the EAS context. End Note.)

¶5. (C) ASEAN represents a crucial diplomatic space in which China can demonstrate that its rise is indeed peaceful, Wong said. China's leaders are comfortable with ASEAN in the "driver's seat" and recognize that Southeast Asia's economic integration is a long-term process that China can influence through continued engagement. Because Beijing manages its relationships with Southeast Asia more competently than it did in the mid-1990s, regional leaders are less concerned about China, Wong explained.

SINGAPORE 00002194 002 OF 002

## The Ideology of Pragmatism

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¶6. (C) Both Yang and Wong described China's approach to ASEAN as reactive. They noted that Beijing remains preoccupied with domestic concerns. China's Communist Party has abandoned all ideology except pragmatism, Yang commented. This pragmatism drives both China's domestic economic development and its increasingly flexible engagement with its neighbors, including ASEAN.

## China's Military Buildup

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¶7. (C) Yang said that the People's Liberation Army (PLA) is becoming more professional and comfortable in its dealings with other countries. He cited as evidence the 8,000 Chinese personnel participating in peacekeeping operations in places like East Timor, Haiti, and Darfur, as well as the PLA's involvement in naval exchanges, most recently with Japan. Director Yang added that Southeast Asia is comfortable with the PLA precisely because the United States' presence in Southeast Asia remains strong. If the United States were absent, the region would have to rethink its military policies towards China, he said.

## USS Kitty Hawk Port Visit

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¶8. (C) Director Yang posited that China's decision to deny the USS Kitty Hawk a port call in Hong Kong over Thanksgiving reflected poor coordination between military and civilian authorities in China. He speculated that the PLA may have been conducting exercises in the area when the USS Kitty Hawk was due to visit Hong Kong. This, coupled with a breakdown in communication between the PLA and China's Foreign Ministry, may have caused the last-minute cancellation. According to Yang's scenario, the MFA may not have been aware of PLA exercises when it initially approved the port call. Poor interagency coordination and communication in China is

not limited to the PLA and MFA, he added. The Central Committee on Foreign Affairs lacks the necessary formal organization. Furthermore, the Central Committee is saddled with a protracted and bureaucratic process for "delicate issues" that requires senior officials to bless final decisions.

Burma

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19. (C) Yang asserted that China's leaders are very concerned about Burma, but that engagement on this issue has not been high on China's list of priorities. The experience of Tiananmen in 1989 made the Chinese leadership ambivalent about how strongly it should push for change in Burma. Beijing has taken a cautious approach in order to preserve its ties with the Burmese regime as China competes for influence in Burma with a more engaged India. China also remains reluctant to engage in policies that could be perceived as interventionist, Yang said.

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